

DEPARTMENT OF HEALTH SERVICES

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November 13, 1990

TO: All County Welfare Directors
All Medi-Cal Program Liaisons

Letter No.: 90-96

SUBJECT: TREATMENT OF JAPANESE-AMERICAN AND ALEUTIAN RESTITUTION PAYMENTS

This letter supersedes All County Welfare Directors Letter (ACWDL), Number 89-112 on the proper treatment of the Japanese-American and Aleutian payments. The "Availability of Child Support or Alimony Payments" made by ABD-MN persons still stands as stated in ACWDL, Number 89-112.

Status of Payments

According to the Civil Liberties Act of 1988 [50 U.S.C.A. App., Section 1989 b - 4 (f)] these payments "shall not be included as income or resources for purposes of determining eligibility" to receive Medi-Cal benefits. These payments are considered to be exempt indefinitely for eligibility purposes. The actual internee may be deceased and the actual recipient of the payment may be the spouse or another relative in accordance with federal law. If a relative is the recipient of the payment, the payment is also exempt indefinitely and subject to treatment in accordance with this ACWDL.

PLEASE NOTE: If these payments are used to purchase property or materials, the exemption does not carry over to the property acquired with the funds. All property acquired must be included in the property reserve unless otherwise exempt. All interest earned on these exempt restitution payments must be considered as unearned income and be used to compute the share of cost.

The exemption applies only to the extent that these funds are not spent and are kept identifiable. If these payments are commingled with other funds, it will be the applicant/beneficiaries' responsibility to be able to identify which are the exempt payments. Furthermore, withdrawals from an account which contain these commingled funds will be presumed to have been made from the nonexempt funds first.

Estate Recovery and Collections

- o Any redress payment left unspent or which has not been transferred to another entity or person by the time of the Medi-Cal beneficiary's death may be subject to estate recovery by the Department.
- o If a Medi-Cal recipient is found ineligible for some reason other than possession of this exempt payment and the reason for ineligibility results

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in an overpayment, the payment may be subject to collection.

If you have any questions in this regard, you may call or write to: Mr. Byron Moss, Recovery Branch, General Collections, 1250 Sutterville Rd., Sacramento, CA 95822; phone: (916) 322-2280.

Transfers

A transfer of such a payment, at anytime, and by any Medi-Cal applicant or beneficiary (institutionalized or not) who was also the recipient of the payment, will not affect eligibility for Medi-Cal.

Verification

The Medi-Cal applicant/beneficiary is responsible for verification of the payment by providing a grant award letter, a check or other document.

If you need additional information regarding income questions related to this topic, please call Gail Schifsky at (916) 327-5586; for property questions related to this topic, please call Sharyl Shanen at (916) 324-4956.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants